

Message Text

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E.O. 11652: XGDS-3

TAGS: PDIP PEPR PO FR XA

SUBJ: GISCARD'S VISIT TO PORTUGAL

SUMMARY: FRENCH PRESIDENT VALERY GISCARD D'ESTAING'S
STATE VISIT TO PORTUGAL JULY 19 AND 21 SLIGHTLY IMPROVED
LONG-COOL FRENCH-PORTUGUESE RELATIONS. GISCARD BLESSED

PORUGAL'S EC ENTRY, PLEDGED PERSONALLY TO MONITOR THE STATUS OF PORTUGUESE WORKERS IN FRANCE AND OFFERED A 450 MILLION FRANC LOAN. GISCARD'S WOOING OF THE PORTUGUESE ON AFRICAN POLICY, HOWEVER, GO NOWHERE. END SUMMARY.

1. REASON FOR CAUTION: FRENCH PRESIDENT VALERY GISCARD D'ESTAING, ACCCOMPANIED BY HIS MINISTERS OF FOREIGN AFFAIRS, UNIVERSITIES, INDUSTRIES, AND FOREIGN TRADE, VISITED PORTUGAL JULY 19 TO 21. BECAUSE OF FRENCH DIFFIDENCE TOWARD PORTUGAL SINCE THE 1974 REVOLUTION, THE PORTUGUESE APPROACHED THE GISCARD VISIT CIRCUMSPECTLY. THE COOL RECEPTION WHICH THE FRENCH GAVE LEFTIST PROVISIONAL PRESIDENT COSTA GOMES IN 1975, FRENCH HESITANCY TO PROVIDE SIGNIFICANT AND UNITED FINANCIAL ASSISTANCE TO DEMOCRATIC PORTUGAL, GOING FOOT-DRAGGING ON PORTUGUESE ENTRY INTO THE EC, AND GISCARD'S OBVIOUS DISDAIN FOR THE ROMANCE BETWEEN PORTUGUESE AND FRENCH SOCIALIST PARTIES WOULD HAVE BEEN ENOUGH TO GENERATE GOP CAUTION. BUT RECENT FRENCH ATTEMPTS TO DEAL WITH ECONOMIC PROBLEMS BY REDUCING THE NUMBER OF IMMIGRANT WORKERS AND ANTICIPATED ENDEAVORS TO CONVINCE THE GOP OF THE WISDOM OF FRENCH AFRICAN POLICY ALSO HELPED PUT THE GOP ON GUARD.
MINOR SCHEDULING GAFFES BY THE FRENCH DID NOT HELP EITHER. GISCARD'S SUDDEN ACCEPTANCE OF THE LONG-STANDING GOP INVITATION SHORTLY AFTER THE CONSERVATIVE CENTER DEMOCRAT PARTY (CDS) JOINED THE SOCIALIST PARTY (PS) TO FORM THE GOVERNMENT IN JANUARY
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PIQUED MANY. MOREOVER, GISCARD'S LAST MINUTE DECISION TO ADD FOUR MINISTERS TO HIS ENTOURAGE AND HIS DECISION TO REDUCE THE LENGTH OF THE VISIT BY A FULL DAY CAUGHT THE FOREIGN MINISTRY BY SURPRISE.

2. TIES THAT BIND: THE GOP, HOWEVER, DID HAVE REASONS TO WORK FOR A SUCCESSFUL VISIT. FRANCE HAS LONG BEEN AN INTELLECTUAL AND SOCIAL MODEL FOR PORTUGAL, AND PORTUGUESE ADMIRATION OF THE FRENCH LANGUAGE AND CULTURE IS STRONG. IMPORTANT TO THE SENSITIVE PORTGUESE, GISCARD'S VISIT WAS THE FIRST TO PORTUGAL BY A FRENCH HEAD OF STATE IN MORE THAN FIFTY YEARS. MORE CONCRETELY, THE GOP HOPED TO OBTAIN INCREASED FRENCH AID AND TO PROTECT THE SPECIAL STATUS OF PORTUGUESE WORKERS IN FRANCE.

3. THE SCHEDULE: GISCARD'S SCHEDULE INCLUDING TWO WORKING SESSIONS WITH PRESIDENT EANES, ONE WITH PRIME MINISTER SOARES, AND ADDRESS TO A SPECIAL SESSION OF THE LEGISLATIVE ASSEMBLY, A VISIT TO LISBON'S CITY HALL, AND THE USUAL STATE DINNERS AND RECEPTIONS. GISCARD ALSO RECEIVED CDS PRESIDENT FREITAS DO AMARAL AND SOCIAL DEMOCRAT PARTY (PSD) PRESIDENT SA CARNEIRO.

4. DIFFERENT APPROACHES: THE TWO PRESIDENT'S SPEECHES AT THE FIRST DAY'S STATE BANQUET HOSTED BY PRESIDENT EANES ILLUSTRATED DISTINCTLY DIFFERENT PERSPECTIVES ON THE VISIT. AFTER SALUTING THE LONG HISTORY OF FRIENDLY BILATERAL RELATIONS, GISCARD SAID THAT PORTUGAL'S

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PAST, HER SPECIAL LINKS WITH AFRICA AND HER POSITION FOLLOWING DECOLONIZATION ENABLED HER TO PLAY A VERY USEFUL ROLE IN A NEW RELATIONSHIP BETWEEN EUROPE AND AFRICA. EANES IN HIS SPEECH, HOWEVER, REFERRED ONLY INDIRECTLY TO AFRICA, STATING THAT BECAUSE OF HER GEOGRAPHIC POSITION AND SPECIAL TIES WITH ONCE-DOMINATED PEOPLES OF OTHER CONTINENTS, PORTUGAL COULD AND WAS READY TO PLAY AN IMPORTANT ROLE IN THE "CONSTRUCTION OF EUROPE." IN CONTRAST TO GISCARD'S GENERALIZED STROKING, EANES EMPHASIZED SPECIFIC ISSUES:

-- IMMIGRANTS: "YOUR EXCELLENCY KNOWS THAT PORTUGAL TODAY HAS ONE-TENTH OF ITS CURRENT POPULATION IN FRANCE..IN TIME ALL OF EUROPE WILL SUFFER THE CONSEQUENCES OF ANY ISOLATED POLICY TO PUT AN END TO RECESSION AND UNEMPLOYMENT, BUT THE IMMEDIATE REPERCUSSIONS GRAVELY AFFECTING THE SOUTHERN COUNTRIES COULD COMPROMISE POLITICAL STABILITY AND WITH IT THE POSSIBILITY OF A DEMOCRATIC EUROPE."

-- EC INTEGRATION AND BILATERAL AID: "ECONOMICALLY AND POLITICALLY, DEMOCRATIC EUROPE IS INDIVISIBLE...EUROPEAN ECONOMIC INTEGRATION IS NOT INCOMPATIBLE WITH OTHER MORE EFFICIENT FORMS OF IMMEDIATE BILATERAL COOPERATION IN ALL FIELDS...PORTUGAL KNOWS THE PRICE IT WILL HAVE TO PAY FOR EUROPEAN INTEGRATION...WE HOPE THE COUNTRIES OF THE EC, RECOGNIZING THE PORTUGUESE SITUATION, WILL NOT FOREGO THEIR PART IN SHARING THE COSTS THAT INTEGRATION ENTAILS."

5. GOP HAS ITS OWN AFRICAN POLICY: GISCARD DISCUSSED AFRICAN POLICY AND OTHER ISSUES WITH PRIME MINISTER SOARES JULY 20. SOARES TOLD THE PRESS THAT HE HAD HAD THE OPPORTUNITY TO "EXPLAIN PORTUGUESE AFRICAN POLICY, WHICH IS AIMED AT GIVING CONTINUITY TO PORTUGAL'S TRADITIONAL AFRICAN CALLING..IT IS AS PORTUGUESE THAT WE ESTABLISH RELATIONS WITH AFRICA. IT IS EVIDENT THAT PORTUGAL CAN BE A KIND OF BRIDGE BETWEEN EUROPE AND AFRICA, BUT THIS DOES

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NOT IMPLY THAT WE ARE ACTING IN DEFENSE OF THE INTERESTS OF OTHERS. WE REPRESENT NO ONE BUT OURSELVES."

6. OTHER ISSUES: WHILE GISCARD'S ATTEMPTS TO INFLUENCE PORTUGUESE AFRICAN POLICY WERE RECEIVED UNENTHUSIASTICALLY, DISCUSSIONS AT THE MINISTERIAL LEVEL ON OTHER ISSUES WERE MORE SUCCESSFUL. ACCORDING TO MINISTRY OF FOREIGN AFFAIRS AMERICA AND EUROPE DIVISION DIRECTOR DR. GREGORIO FARIA, THE PORTUGUESE AND FRENCH DISCUSSIONS ON ECONOMIC AND CULTURAL

MATTERS PRODUCED THE FOLLOWING:

-- TELEVISION: THE FRENCH PUSHED THE PORTUGUESE TO PURCHASE THE FRENCH COLOR TELEVISION SYSTEM, BUT FARIA CONSIDERED IT UNLIKELY THE PORTUGUESE WOULD ACCEPT. (THE GOP IS A LONG WAY FROM A DECISION ON THE MAJOR INVESTMENT A COLOR SYSTEM REQUIRES).

-- NUCLEAR ENERGY: THE FRENCH ALSO PUSHED THE SALE OF FRENCH NUCLEAR TECHNOLOGY, BUT FARIA SAID THAT PORTUGAL'S SENSITIVITY ON THE NUCLEAR TECHNOLOGY ISSUE WOULD DAMPEN FRENCH HOPES IN THIS SECTOR.

-- RENAULT FACTORY: TECHNICAL QUESTIONS REGARDING THE CONSTRUCTION OF A RENAULT ASSEMBLY PLANT IN PORTUGAL WERE SUCCESSFULLY RESOLVED. CONSTRUCTION OF THE PLANT, WHICH WILL EVENTUALLY EMPLOY 7000, WILL NOW PROCEED.

-- CUSTOMS PROCEDURES: DIFFERENCES REGARDING FRENCH TARIFFS ON PORTUGUESE IMPORTS, PARTICULARLY WINE, WERE RESOLVED.

-- ADMINISTRATION SCHOOL: PLANS FOR THE FRENCH TO ASSIST THE GOP IN ADMINISTRATIVE REFORM AND TO ESTABLISH A SCHOOL FOR PUBLIC ADMINISTRATION PROGRESSED.

-- IMMIGRANT STATUS: THE FRENCH AGREED TO ASSIST PORTUGUESE EFFORTS TO IMPROVE THE SOCIAL AND CULTURAL OPPORTUNITIES FOR PORTUGUESE WORKERS IN FRANCE, PRIMARILY PORTUGUESE INSTRUCTION FOR CHILDREN OF IMMIGRANT WORKERS.

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6. MAJOR GOP CONCERNS MET: IN A DEPARTURE PRESS CONFERENCE, Giscard pledged French support for Portuguese EC integration, and announced that he "will guarantee that no discriminatory measure will be taken against the Portuguese community in France." According to Faria, Portuguese workers will consequently maintain special conditions which the French have not given other guest-workers. The 900,000 Portuguese workers in France will be the last affected by any French moves to diminish the number of foreign workers. Giscard then confirmed that France was ready to offer Portugal a "supplementary" loan of 450 million francs to "finance industrial development." (Comment: of the total, about 35 percent would be a gold-secured loan from the French Central Bank to the Bank of Portugal; the other 65 percent would be export credits. However, Faria told Emboff the GOP will have the same problems with this loan as it did with the original French offer of a 15 million dollar loan; i.e., ties to purchases of French products. Other embassy conversations with Bank of Portugal Governor Silva Lopes and Finance Minister Vitor Constancio suggest, moreover, that the 450 million franc loan is still more a concept than a concrete proposal. Further discussions on the offer apparently are not anticipated until October.)

7. COMMENT: Giscard's visit slightly improved long-cool bilateral relations. Giscard, however, was not received with the warmth given Spanish King Juan Carlos or even Guinea Bissau President Luis Cabral, nor did Giscard's visit receive the intense and extremely favorable press coverage given President Eanes' visit to Bonn. Moreover, the impact of the visit was diminished by the burgeoning government crisis. Further

APPROXIMATION WILL DEPEND ON FRENCH TREATMENT OF PORTUGUESE
IMMIGRANTS AND A FORTHCOMING ATTITUDE REGARDING FINANCIAL ASSIST-
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ANCE. IMPORTANTLY, THE PORTUGUESE APPEAR TO HAVE TAKEN THE
INITIATIVE DURING THE VISIT TO STRESS THE IMPORTANCE OF PORTUGAL'S
INTEGRATION INTO THE EC AND THE NEED FOR THE RICHER EUROPEAN
COUNTRIES TO GIVE FINANCIAL ASSISTANCE TO PORTUGAL, AS WELL
AS TO EMPHASIZE THE DIFFERENCE IN APPROACHES TO AFRICA. THE
PORTUGUESE OBTAINED FRENCH AGREEMENT ON SOME ISSUES OF
IMPORTANCE TO THEM, ESPECIALLY THE IMMIGRANT WORKER ISSUE.
HOWEVER, THE FRENCH CLEARLY IMPLIED THAT THEIR ATTITUDE TOWARD
PORTUGAL'S EC MEMBERSHIP APPLICATION WOULD BE AFFECTED
BY GOP COMMERCIAL DECISIONS IN AREAS SUCH AS NUCLEAR ENERGY AND
COLOR TELEVISION.

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